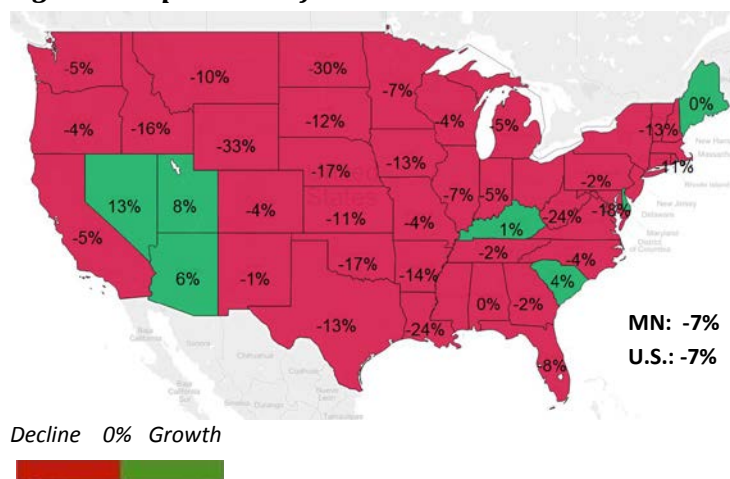


State Exports Drop 7 Percent to \$20 Billion in 2015

- Minnesota exports of goods (including agricultural, mining and manufactured products) dropped to \$20 billion in 2015, representing a decline of 7 percent, or \$1.4 billion in exports, between 2014 and 2015. U.S. exports also declined by 7 percent.
- Minnesota exported 1,057 different detailed products (4-digit HS codes) to 203 countries in 2015, covering 86 percent of U.S. export products and 87 percent of U.S. export countries. The state accounted for 1.3 percent of U.S. exports.
- Minnesota *manufactured* exports were valued at \$18.9 billion in 2015, down 5 percent since 2014. U.S. *manufactured* exports fell 6 percent.

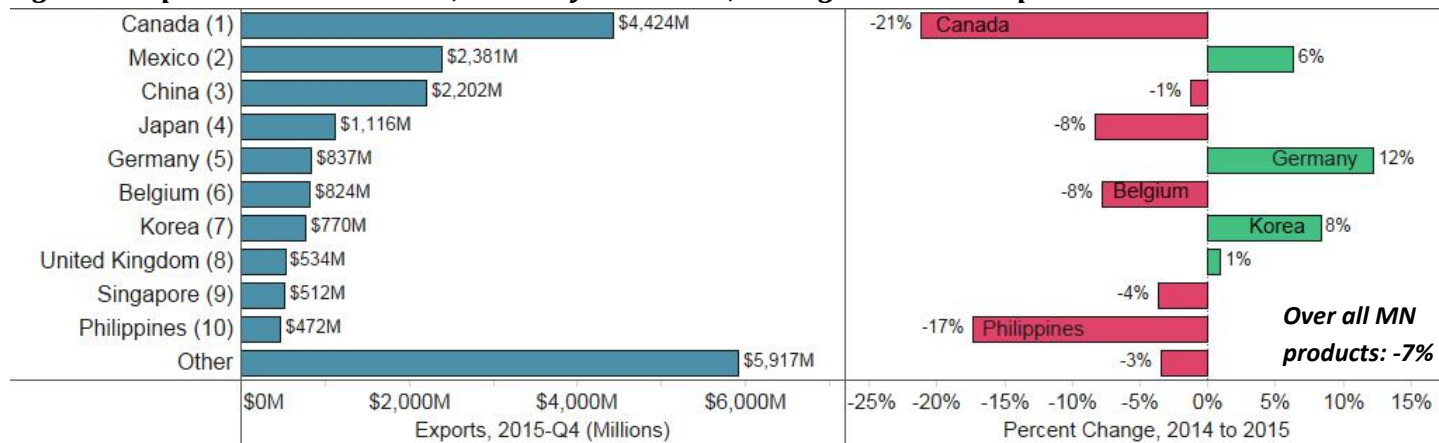
Figure 1. Export Grow for a Scant 8 States in 2015



Mexico Firmly Remains Minnesota's Second-Largest Market, as Exports to Many Slide

- The state's exports to **North America** dropped 13 percent to \$6.8 billion as exports to **Canada** fell 21 percent. Exports to **Mexico** jumped 6 percent to \$2.4 billion, retaining its rank as the state's second largest market.
- Exports to **Asia** were down 4 percent to \$6.4 billion. Export gains to **Korea** (up 8 percent), **Taiwan** (up 3 percent) and **Malaysia** (up 4 percent) helped soften declines to **India** (down 33 percent), **Japan** (down 8 percent), and the **Philippines** (down 17 percent).
- Exports fell 2 percent to \$4.6 billion to **Europe**. **Germany** (up 12 percent), the **Netherlands** (up 7 percent), **Ukraine** (up 242 percent to \$54 million), **Poland** (up 37 percent to \$114 million) and **Austria** (up 33 percent to \$110 million) turned in positive performances however.
- Central and South America** (\$1 billion, up 5 percent), the **Middle East** (\$432 million, up 4 percent) and the **Australia-Pacific** region (\$609 million, up 2 percent) were the few regions with export growth in 2015. Strong markets included **Colombia**, **Saudi Arabia**, **Costa Rica**, **New Zealand**, **Chile** and the **Dominican Republic**.

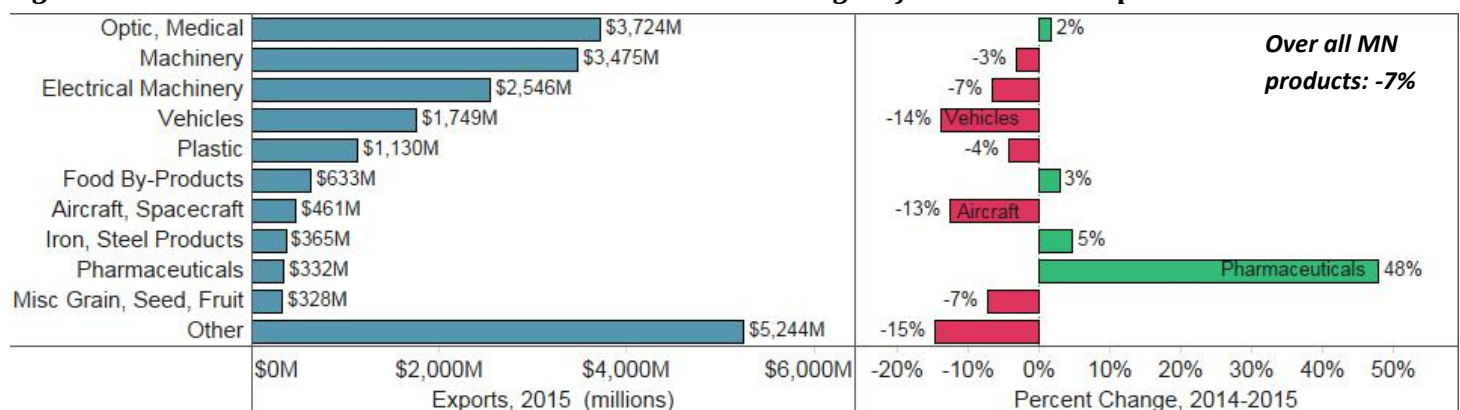
Figure 2. Export Growth to Mexico, Germany and Korea, Among the State's Top 10 Markets in 2015



Pharmaceutical and Optic/Medical Exports Grow, Amid Declines for Many Products

- Between 2014 and 2015, **pharmaceutical goods** (up 48 percent), **optics/medical** (up 2 percent), **railway equipment** (up 90 percent), **albumins/modified starch/glue** (up 15 percent), and **stone/plaster/cement** (up 10 percent) were products for which exports increased by more than \$20 million.
 - Exports of **pharmaceutical goods** jumped 48 percent to \$332 million, based on strong growth in **blood and vaccine products** and **bandages**. Growth was strongest to **China** (up 136 percent), **the U.K.** (up 409 percent), **Germany** (up 50 percent) and to **Japan** (up 252 percent, ranked sixth).
 - Export growth in **optics/medical products** persisted into 2015, with gains to **China, Korea, Japan, Taiwan, Mexico, Malaysia** and **Costa Rica** and despite steep declines to **Belgium, Canada** and **Ireland**. Exports increased for **medical/surgical instruments** (\$1.3 billion, up 4 percent), **optic fiber** (\$419 million, up 9 percent) and **other optical/checking instruments** (\$356 million, up 7 percent).
 - Sales of **railway freight cars** (\$31 million, up from 42,000) to **Canada** propelled exports of **railway equipment** up 90 percent to \$79 million.
 - Albumins/modified starch/glue** exports grew 15 percent to \$194 million, due especially to booming demand for **glue products** in **Germany** (\$57 million, up from \$3 million). Sales of these goods fell to **Canada, Taiwan** and **Mexico**.
 - Export growth of **stone/plaster/cement** (valued at \$271 million) depended on sales of **abrasive powder/grain** (mainly to **Taiwan, Mexico** and **China**) and **other stone products** (mainly to **Germany**).
- Exports of **food by-products** grew 3 percent, driven by sales of **soybean by-products**. Gains to **Mexico** (up 101 percent), **Colombia** (up 851 percent), **the Netherlands** (up 131 percent) and **Chile** (up 11 percent) mitigated steep declines of these exports to **Canada, Japan, Indonesia** and **China**.
- Sales of **machinery** slid to \$3.5 billion. Growth to **Mexico** (up 27 percent), **Ukraine** (up 563 percent) and **Saudi Arabia** (up 111 percent) countered steep declines to **Canada, Belgium, Australia** and **the Philippines**. Strong growth in **heating machinery, cranes/lifting equipment, piston engines**, and **machines to produce semiconductors** offset declines in **spraying machinery, sorting equipment, computers** and **office machine parts**.
- Demand for **electrical machinery** plummeted in the two major markets: **Canada** (down 21 percent to \$312 million, including for **unrecorded media, switch panels, generators**) and the **Philippines** (down 15 percent to \$373 million, particularly for **integrated circuits**).
- Exports of **vehicles** plunged \$283 million, mainly due to decreased sales of **passenger, special purpose** and **public transportation vehicles**. Sales weakened in **Canada** (down 22 percent), **Italy** (down 90 percent) and **Russia** (down 87 percent) but grew strongly to **Mexico** (up 25 percent), **Belgium** (up 15 percent) and **Poland** (up 210 percent).
- Aircraft** exports fell sharply to **Brazil, Mexico, France** and **Japan** but increased strongly to **New Zealand** (up 24 percent to \$84 million) and **the Netherlands** (up 258 percent to \$33 million).

Figure 4. Growth in Pharmaceutical Goods Leads Growth Among Major Product Groups in 2015



The Minnesota Annual Export Statistics and Minnesota Quarterly Export Statistics are the most current resources available for tracking trends in the state's exports of goods. They are prepared by the Department of Employment and Economic Development's (DEED) Economic Analysis Unit (Thu-Mai Ho-Kim, 651-259-7180) for the Minnesota Trade Office (MTO). Since 2011, the reports have primarily covered export data based on the Harmonized Tariff System (Schedule B), collected by the U.S. Department of Commerce (USDOC) and distributed by the Global Trade Information Services. Reports are available on DEED's website at "Export and Trade Statistics" (<http://mn.gov/deed/data/export-stats/>). Note: The U.S. Department of Agriculture (USDA) and the Minnesota Department of Agriculture (MDA) publish significantly different annual estimates of exports of agricultural products. Their methodology differs from the one used by the U.S. Department of Commerce. For 2014 (latest available), they estimated that Minnesota exported \$7.3 billion in agricultural products, ranking third highest among all states.